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Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Water Rights

KENT L. JONES
State Engineer/Division Director

March 10, 2011

Circle 4 Realty
PO Box 100
Milford, UT 84751

Intermountain Renewable Power LLC
5152 North Edgewood Drive, Suite 200
Provo, UT 84604

Re: Change in assessment calculation procedure

To whom it may concern:

Regulation of the Milford Distribution system requires the water commissioner to both monitor & map irrigated land and read meters for industrial users. For several years, the State Engineer has considered that a change in the assessment calculation method might be needed to more equitably reflect the amount of time the Water Commissioner was required to spend for the two different monitoring methods. This past year, the commissioner was requested to read the industrial meters only every other month and to keep track of the time spent on mapping and the time spent on reading meters.

The commissioner's records show that 75% of her time is required to map and monitor the irrigated land and 25% is required to read and monitor the industrial water meters. Based on this information, the State Engineer has determined that a change in the assessment calculation procedure is warranted.

Beginning this year, the total distribution system assessment will be split between the irrigators and the industrial users based on the same percentage of the time spent with each portion of the system; 75% to the irrigators and 25% to the industrial users. Within each group, the assessment will be divided among the water users according to the amount of land irrigated or the amount of water pumped. This same procedure (of splitting the assessment according to the amount of time the commissioner spends in each area) has been used on another distribution system in the state for over 30 years and is seen by the water users there as an equitable method for dividing assessment costs.

During the annual meeting the water users present, voted to support the Division's change in the assessment procedure and make the necessary changes to reflect the balance of time for the monitoring activity required.



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Subject: Change in assessment calculation procedure

The water commissioner has been asked to continue tracking the amount of time required by the irrigators and the industrial users and to include that information each year in her annual report. The State Engineer will monitor any changes in the time reported and make adjustments as necessary in the assessment calculation process.

If you have any questions regarding this issue please contact me at 801-538-7430 or at MikeSilva@utah.gov.

Sincerely,

A handwritten signature in cursive script that reads "Mike Silva".

Mike Silva
Distribution Engineer

Cc: Kurt Vest, Regional Engineer
Keith James, Distribution System Chairman
April McKeon, Water Commissioner